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Item 21(b) of the provisional agenda
Administrative, financial and institutional matters
Budgetary matters

Possible approaches to prioritization, and budgetary implications of decisions of governing bodies and conclusions of subsidiary bodies

Note by the secretariat

Summary

At its forty-seventh session, the Subsidiary Body for Implementation (SBI) requested the secretariat to provide input on possible approaches to prioritization and on the budgetary implications of decisions of the governing bodies and conclusions of the subsidiary bodies, for consideration at SBI 48. This document provides three possible approaches to prioritization and three options for managing the budgetary implications of decisions of the governing bodies and conclusions of subsidiary bodies.

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I. Introduction

1. At its forty-seventh session, the Subsidiary Body for Implementation (SBI) requested the secretariat to provide input on possible approaches to prioritization and budgetary implications of decisions of the governing bodies and conclusions of the subsidiary bodies, for consideration at SBI 48.[1]

2. Given the scarce resources, it is difficult to fully implement all mandates. This document presents possible, non-exhaustive options for prioritization with a view to encouraging a discussion among and with Parties on how best to address this issue in a constructive and practical manner.

3. The information is presented in two parts:

(a) Chapter II provides three possible approaches to prioritization:

(i) Ranking activities and mandates;

(ii) Adopting practices from other United Nations organizations;

(iii) Prioritizing mandates on the basis of when they were issued;

(b) Chapter III provides three options for managing the budgetary implications of decisions of the governing bodies and conclusions of the subsidiary bodies:

(i) At each session, the secretariat could provide to all negotiating groups a simple, one-page list with standard cost information for typical activities as guidance;

(ii) As deemed appropriate, the chairs of negotiating groups at sessions could request the secretariat to provide information on budgetary implications in relation to draft texts as soon as possible;

(iii) The budgetary implications of draft decisions and conclusions could be provided before their adoption.

II. Possible approaches to prioritization

Ranking activities and mandates

4. Parties may wish to consider ranking mandates and activities that are to be implemented. Such an exercise would entail reviewing all existing mandates and ranking them according to priority and urgency. An activity or mandate would be implemented in accordance with its ranking and within the limits of available financial resources. The advantage of this approach is that resources allocation and mobilization would be guided by a collective understanding of Parties' priorities. The challenge would lie in Parties agreeing on the order of priority of the mandates and activities.

1. Adopting practices from other United Nations organizations

5. Rule 31, paragraph 2, of the United Nations Environment Programme (UNEP) rules of procedure states that, "when a proposal involving expenditure of UNEP funds is adopted, the UNEP Assembly is required to indicate, whenever appropriate, the priority or degree of urgency that it attaches to the project and, as the case may be, which current

[1] FCCC/SBI/2017/19, paragraph 149.

projects may be deferred, modified or eliminated to ensure that the work of UNEP is carried on most effectively."

6. The advantage of this approach is that it maintains the practice of prioritization, factoring in both existing and new activities and mandates. It also clarifies from the outset which activities and projects might not be implemented.

7. Such an approach would require a thorough review of existing mandates to ensure that not only new mandates and activities are subject to prioritization. Such a review would have financial implications.

2. Prioritizing mandates on the basis of when they were issued under the Convention, the Kyoto Protocol and the Paris Agreement

8. This approach would provide a simple prioritization criterion, but it would not take into consideration the complexity and, in some cases, continuation or overlapping of mandates.

9. The above-mentioned options highlight the complexity of developing prioritization criteria. Consequently, the secretariat has, so far, taken a pragmatic approach to planning and reviewing active mandates to determine, for example, which could be consolidated, which are enhanced by newer mandates and which are of a long-term nature and thus remain critical to the process irrespective of their date of issuance.

III. Budgetary implications of decisions of the governing bodies and conclusions of the subsidiary bodies

A. UNFCCC practice

10. Rule 15 of the UNFCCC draft rules of procedure states: "The secretariat shall report to the Conference of the Parties on the administrative and budgetary implications of all substantive agenda items submitted to the session, before they are considered by it. Unless the Conference of the Parties decides otherwise, no such substantive agenda item shall be considered until at least forty-eight hours after the Conference of the Parties has received the report of the secretariat on the administrative and budgetary implications".

11. Thus, the secretariat reports to the Conference of the Parties (COP) and its subsidiary bodies on the budgetary implications of decisions and conclusions. However, Parties are informed about budgetary implications of decisions and conclusions only after their adoption. Possible implications of this approach include the following:

(a) Informing Parties about the budgetary implications of decisions and conclusions after their adoption may mean that Parties agreed on decision or conclusions text that they would not have agreed to, or would have modified, if they had been fully aware of the related financial implications;

(b) Despite the inclusion of wording in decisions and conclusions stating that implementation is subject to the availability of funds, the adoption of decisions and conclusions may inadvertently convey the impression to Parties that the mandates and activities therein will be implemented. Of greater concern, however, is that in the absence of prioritization it is not possible for the secretariat to effectively determine the urgency of implementing or the potential impact of not implementing decisions and conclusions. As it stands, several mandated activities will not be implemented owing to unavailability of funds;

(c) The provision of information on budgetary implications post adoption may result in a continuous increase in mandated activities without requisite funding for implementation.

B. Practice within the United Nations

12. Several United Nations organizations have provisions in their rules of procedure relating to providing information on the budgetary implications of adopting decisions and resolutions.

13. For example, rule 153 of the rules of procedure of the General Assembly reads: "No resolution involving expenditure shall be recommended by a committee for approval by the General Assembly unless it is accompanied by an estimate of expenditures prepared by the Secretary-General. No resolution in respect of which expenditures are anticipated by the Secretary-General shall be voted by the General Assembly until the Administrative and Budgetary Committee (Fifth Committee) has had an opportunity of stating the effect of the proposal upon the budget estimates of the United Nations". An important aspect of this rule is that the Fifth Committee provides the budget estimate.

14. The rules of procedure of certain other organizations such as UNEP, go a step further, requiring activities to be prioritized when proposals involve expenditure of funds (see para. 6 above).

C. Possible options for consideration

1. Standard cost list

15. Parties could **request the secretariat to provide a one-page list** with the standard cost of undertaking typical activities, such as workshops, meetings, preparing papers, developing platforms, etc.

16. The advantage of this option is the availability of estimated budgetary implications prior to the consideration of draft conclusions and decisions. A critical drawback would be that outcomes under each agenda would be considered in isolation, without the full budgetary implications of all decisions and conclusions reached at the session.

2. Provision of budgetary implications for draft texts

17. Another option would be the COP requiring the chairs of negotiating groups to **invite the secretariat to provide information on budgetary implications in relation to a draft text as soon as possible** and, at the latest, during the last meeting of the group before the draft text is recommended for adoption by the governing or subsidiary body.

18. The advantage of this approach is that budgetary implications can be considered by the negotiating groups before recommending texts to the subsidiary and governing bodies. However, as in the previous option, recommendations and conclusions would be made in the absence of the full budgetary implications of all decisions and conclusions.

3. Provision of a statement on the budgetary implications of decisions and conclusions

19. The COP President or Chairs of the subsidiary bodies could **invite the secretariat to provide a statement on the budgetary implications of decisions and conclusions** before their adoption.

20. The advantage of this approach is that it makes Parties responsible for addressing the budgetary implications of activities. However, it could result in delays in the adoption of decisions and conclusions.

21. In this context, the COP could consider **establishing a budgetary committee** with a role similar to that of the Fifth Committee (see para. 13 above). The advantage of this approach is that Parties would be informed of the total budgetary implications of all decisions and conclusions, which would foster greater accountability.

22. Disadvantages of this approach include the reduction in time available during sessions for substantive negotiations, a focus on financial matters towards the end of the session, and the implications of establishing and servicing a budgetary committee on limited financial resources.

IV. Conclusions

23. Establishing possible approaches to the prioritization of mandates and activities is not a simple task. The secretariat will follow the guidance and decisions of the SBI.

24. Regarding the budgetary implications of decisions of the governing bodies and conclusions of the subsidiary bodies, the SBI may wish to consider the options provided and request the secretariat to provide such information as may be required to ensure that the budgetary implications of decisions and conclusions are appropriately considered.

25. The SBI may wish to consider requesting the secretariat to continue to review mandates and activities with a view to ensuring relevance and efficiencies and to allocate financial resources in a responsible and balanced manner while regularly reporting on the status of implementation of mandates and on financial status.